OFFICE OF THE COMPTROLLER GENERAL

MINISTERIAL ACCOUNTABILITY REPORT

2003 2004

BRITISH COLUMBIA

Ministry of Finance

104-06031/

Ministerial Accountability Report

For the Fiscal Year Ended
March 31, 2004

2003/2004

BRITISH COLUMBIA

Ministry of Finance
Office of the Comptroller General

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BRITISH COLUMBIA

June 29, 2004
Victoria, British Columbia

Lieutenant Governor of the Province of British Columbia

MAY IT PLEASE YOUR HONOUR:

The undersigned has the honour to present the Ministerial Accountability Report for 2003/04. This is the second annual report required under the *Balanced Budget and Ministerial Accountability Act*.

GARY COLLINS
Minister of Finance

June 29, 2004
Victoria, British Columbia

Honourable GARY COLLINS
Minister of Finance

As required under Section 6(2) of the *Balanced Budget and Ministerial Accountability Act*, I present the following information:

- Collective responsibilities—for members of the Executive Council, a comparison of the expected and actual financial results based on the audited Summary Financial Statements;
- Individual responsibilities—for members of the Executive Council responsible for operating expense, a comparison of expected and actual spending results based on the Consolidated Revenue Fund Schedule of Comparison of Estimated Expenses to Actual Expenses;
- For members of the Executive Council without operating expense responsibility such as ministers of state; and for the Minister of Provincial Revenue—a list of expected and actual results as described for that Minister; and,
- A statement of salary holdback repayable based on the foregoing.

Respectfully submitted,

ARN VAN IERSEL
Comptroller General

Ministerial Accountability for the Fiscal Year Ended March 31, 2004

The *Balanced Budget and Ministerial Accountability Act* requires a comparison of expected and actual performance results be released with the Public Accounts commencing with the 2002/03 fiscal year. As a result of amendments to the Act made by Section 2 of the *Budget Measures Implementation Act, 2003*, the comparison of expected and actual results for Ministers of State is not required with the Public Accounts if not reasonably practical to do so, but must be made public no later than the following December 31. This reporting is separate from any other performance reporting requirements such as the service plan reports required of each minister under the *Budget Transparency and Accountability Act*.

The *Balanced Budget and Ministerial Accountability Act* requires a holdback of 20% of ministerial salaries throughout the year and until release of the Public Accounts. Half of the holdback is related to collective responsibilities for meeting the total summary accounts surplus/deficit target in which all Cabinet Ministers participate and half is related to individual ministerial responsibilities for meeting expense, revenue or other non-financial targets. Where requirements are met, the holdback for ministers responsible for operating expense and for the Minister of Provincial Revenue is payable the day after the Public Accounts are released. The holdback for Ministers of State is payable after the publication of results in the related final service plan reports.

Collective Responsibilities

The collective holdback under Section 4 of the Act is based on the surplus or deficit of the government summary reporting entity as published in the Summary Financial Statements, using the accounting policies applied in preparation of the Estimates as published in the preceding year and as amended by specific statutes. The rules may be summarized as follows:

- If a summary deficit is forecast, then for fiscal 2002/03 and 2003/04, if the actual deficit is less than estimated or there is a surplus, and for fiscal 2004/05 and after, if there is no deficit, the collective holdback is repayable.
- If a summary surplus is forecast, for fiscal 2002/03 and after, if the actual surplus is at least 50% of the estimate, the collective holdback is repayable.
- If neither a summary deficit nor surplus is forecast and there is no deficit, the collective holdback is repayable.

Individual Responsibilities

The individual holdbacks under Section 5 of the Act are based on:

- Ministry spending for ministers with operating expense responsibilities, except for the Minister of Provincial Revenue.
- Revenue results as specified by regulation for the Minister of Provincial Revenue.
- Specified expected results for members of the Executive Council without operating expense responsibilities.

The information provided in this report includes:

- A summary of ministerial accountability targets for operating expenses for 2003/04 that include the original stated amounts in Schedule 1 of the 2003/04 Estimates adjusted for Supplementary Estimates and program transfers.
- A comparison of actual results and the estimated amounts published in the Estimates for the fiscal year ending March 31, 2004, as amended by the *Budget Measures Implementation Act 2003; Ministerial Accountability Bases Act 2003-2004; and Ministerial Accountability Bases Act, 2003-2004, Amendment Act, 2004*, for ministers with responsibility of operating expense under each of the applicable Sections of the Act.
  - Where responsibilities were shared or changed during the year, actual spending is shown against the responsible ministers. Ministry and program expense are measured for the full fiscal year against the stated amount in the Estimates, adjusted for Supplementary Estimates and program transfers.
  - Changes and shared responsibilities are measured in monthly proportions of this annual result and are described in explanatory notes to the statement. Note that contingencies (all ministries) and new programs' votes are the responsibility of the Minister of Finance.
  - The Estimates for the Ministries of Agriculture, Food and Fisheries; Community, Aboriginal and Women's Services; Forests; Health Services; and, Public Safety and Solicitor General have been adjusted in the reporting for those ministries.
- Actual results for ministers without responsibility for operating expense, and the Minister of Provincial Revenue, are taken from the 2004 ministry service plan reports or interim reports and are compared against the expected results listed in B.C. Regulations 49, 50 and 192/2003.

A summary of holdback repayment results for all accountable ministers.

Summary of Ministerial Accountability for Operating Expenses for the Fiscal Year Ended March 31, 2004

For each minister (other than the Minister of Provincial Revenue) with responsibility for operating expenses accounted for in the Consolidated Revenue Fund, an estimated amount must be made public with the Estimates under section 6(1) of the *Balanced Budget and Ministerial Accountability Act*, commencing 2002/03 fiscal year. This estimated amount is described in section 5(1) of the Act and represents the operating expenses that are the responsibility of the minister as set out in the Main Estimates for the fiscal year. Section 6(2) of the Act requires the actual amount of those operating expenses be made public for each minister with the public accounts for that fiscal year.

The table below shows, by minister, the estimated operating expenditure targets as published in the 2003/04 Estimates, adjusted to reflect enacted legislation. The Total Revised Expected Results represents the targeted operating expenses each minister is responsible for under section 5(1) of the Act for the 2003/04 fiscal year.

Minister Responsible	Main Estimates[1] $000	Supplementary Estimates[2] $000	Program Transfers[3] $000	Revised Expected Results $000
Premier	52,270			52,270
Minister of Advanced Education	1,899,007			1,899,007
Minister of Agriculture, Food and Fisheries	49,153	27,300		76,453
Attorney General and Minister Responsible for Treaty Negotiations	507,345		1	507,346
Minister of Children and Family Development	1,451,472			1,451,472
Minister of Community, Aboriginal and Women's Services	665,551	72,000		737,551
Minister of Competition, Science and Enterprise (renamed Minister of Small Business and Economic Development)	114,706		(114,706)	
Minister of Education	4,859,939			4,859,939
Minister of Energy and Mines	56,631		(1)	56,630
Minister of Finance	1,425,871			1,425,871
Minister of Forests	570,091	341,810		911,901
Minister of Health Planning	24,154		(4,026)	20,128
Minister of Health Services	10,185,347	319,400	4,026	10,508,773
Minister of Human Resources	1,417,493			1,417,493
Minister of Management Services	46,679			46,679
Minister of Public Safety and Solicitor General	506,684	76,400		583,084
Minister of Skills Development and Labour	25,637			25,637
Minister of Small Business and Economic Development (formerly Minister of Competition, Science and Enterprise)			114,706	114,706
Minister of Sustainable Resource Management	95,194			95,194
Minister of Transportation	834,366			834,366
Minister of Water, Land and Air Protection	131,104			131,104
	24,918,694	836,910	0	25,755,604
Legislation	42,955			42,955
Officers of the Legislature	22,709	274		22,983
Minister of Provincial Revenue	49,642			49,642
Total Consolidated Revenue Fund Expenses	**25,034,000**	**837,184**	**0**	**25,871,184**

[1]Based on Schedule 1 (page 211–212) of the Estimates, Fiscal Year Ending March 31, 2004.

[2]For this fiscal year, there were three Acts passed that affect the Ministerial Accountability Targets (all amounts are shown in thousands of dollars): *Budget Measures Implementation Act, 2003* increases Minister of Health Services supplementary estimate $319,400. Bill 10 – 2004: *Ministerial Accountability Bases Act, 2003–2004* increases Minister of Agriculture, Food and Fisheries by $27,300 as the amount appropriated under Section 1 of the *Supply Act, 2003–2004 (Supplementary Estimates No. 3)* and increases Minister of Forests by $341,810 and Public Safety and Solicitor General by $76,400 for amounts expended for purposes authorized under an Act other than a *Supply Act, 2003–2004*. Bill 23–2004: *Ministerial Accountability Bases, 2003–2004, Amendment Act, 2004* increases Minister of Community, Aboriginal and Women's Services by $72,000 as the amount appropriated under Section 1 of the *Supply Act, 2003–2004 (Supplementary Estimates No. 4)*. Bill 98–2003: *Supply Act, 2003–2004 (Supplementary Estimates No. 2)* increases Office of the Legislature by $274 and is included for transparency purposes only.

[3]Throughout the fiscal year, there were changes to programs through Orders-in-Council. These changes are included above for the period of responsibility under each ministry (all amounts are shown in thousands of dollars): OIC 514/2003 – $1 – BC Utilities Commission moved from Energy and Mines to Attorney General; OIC 37/2004 – Health Planning (10 months) was transferred to Health Services (2 months); and OIC 37/2004 – Small Business and Economic Development was Competition, Science and Enterprise at the time of Main Estimates and was renamed January 26, 2004.

Comparison of Expected and Actual Results Required by the *Balanced Budget and Ministerial Accountability Act* for the Fiscal Year Ended March 31, 2004

Collective Responsibilities Pursuant to Section 4 of the *Balanced Budget and Ministerial Accountability Act*

Summary Financial Statements Surplus (Deficit)

	Estimates Expected Results	Actual Results	Variance	Actual Deficit Within Target
	$000	$000	$000	
Adjusted Summary Accounts Estimated Deficit[1]	3,137,184	1,339,345		
Supplementary Estimates not included in Summary Deficit target[2]	(837,184)			
Summary Deficit for *Balanced Budget and Ministerial Accountability Act*	**2,300,000**	**1,339,345**	**960,655**	yes

Individual Responsibilities Pursuant to Section 5 of the *Balanced Budget and Ministerial Accountability Act*

Members of the Executive Council (Other than the Minister of Provincial Revenue) with Operating Expense Responsibilities Pursuant to Section 5(1) of the Act

	Revised Expected Results[3,4]	Actual Results	Variance	Actual Spending Within Targets
	$000	$000	$000	
Premier	52,270	49,602	2,668	yes
Minister of Advanced Education	1,899,007	1,897,252	1,755	yes
Minister of Agriculture, Food and Fisheries	76,453	76,453		yes
Attorney General and Minister Responsible for Treaty Negotiations	507,346	507,031	315	yes
Minister of Children and Family Development	1,451,472	1,430,191	21,281	yes
Minister of Community, Aboriginal and Women's Services	737,551	737,464	87	yes
Minister of Education	4,859,939	4,786,636	73,303	yes
Minister of Energy and Mines	56,630	56,630		yes
Minister of Finance[3]	1,425,871	1,150,878	274,993	yes
Minister of Forests	911,901	827,844	84,057	yes
Minister of Health Planning	20,128	19,075	1,053	yes
Minister of Health Services	10,508,773	10,433,802	74,971	yes
Minister of Human Resources	1,417,493	1,394,037	23,456	yes
Minister of Management Services	46,679	46,679		yes
Minister of Public Safety and Solicitor General	583,084	575,925	7,159	yes
Minister of Skills Development and Labour	25,637	19,925	5,712	yes
Minister of Small Business and Economic Development (formerly Minister of Competition, Science and Enterprise)	114,706	113,206	1,500	yes
Minister of Sustainable Resource Management	95,194	94,237	957	yes
Minister of Transportation	834,366	819,523	14,843	yes
Minister of Water, Land and Air Protection	131,104	129,414	1,690	yes
Subtotal carried forward	25,755,604	25,165,804	589,800	

Comparison of Expected and Actual Results Required by the *Balanced Budget and Ministerial Accountability Act* for the Fiscal Year Ended March 31, 2004—Continued

Individual Responsibilities Pursuant to Section 5 of the *Balanced Budget and Ministerial Accountability Act*—Continued

Members of the Executive Council (Other than the Minister of Provincial Revenue) with Operating Expense Responsibilities Pursuant to Section 5(1) of the Act—Continued

	Revised Expected Results	Actual Results	Variance
	$000	$000	$000
Reconciliation to Summary Accounts Deficit and to Stated Estimates Amount			
Subtotal brought forward	25,755,604	25,165,804	589,800
Estimates not included under the Act:			
Legislation	42,955	41,151	
Officers of the Legislature	22,983	22,625	
Minister of Provincial Revenue	49,642	48,781	
Consolidated Revenue Fund Expenses	25,871,184	25,278,361	592,823
Consolidated Revenue Fund Revenue	(23,246,000)	(24,034,535)	788,535
Total Consolidated Revenue Fund Estimated Deficit	2,625,184	1,243,826	1,381,358
Taxpayer–supported Crown corporations and agencies	1,393,000	435,733	
Self–supported Crown corporations and agencies	(1,381,000)	(340,214)	
Forecast allowance	500,000		
Adjusted Summary Accounts Estimated Deficit[1]	3,137,184		
Supplementary Estimates not included in Summary Deficit Target[2]	(837,184)		
Actual Result shown in Public Accounts' Statement of Operations	**2,300,000**	**1,339,345**	**960,655**

[1]Includes Supplementary Estimates.

[2]Supplementary Estimates (*see* page 7) are not included in the Summary Deficit target pursuant to Section 4 of the *Balanced Budget and Ministerial Accountability Act*.

[3]The Ministry of Finance is accountable under the *Balanced Budget and Ministerial Accountability Act* (BBMAA) for budgeted contingency amounts and their spending; therefore, both the contingencies allocations and the related expense have been moved to the Minister of Finance. Details of the application of contingency amounts to ministries are available from the Consolidated Revenue Fund Supplementary Schedules and Ministerial Appropriations schedules published on the Ministry of Finance website.

[4]Summary of changes to the Main Estimates to the Revised Expected Results (*see* page 7).

Comparison of Expected and Actual Results Required by the *Balanced Budget and Ministerial Accountability Act* for the Fiscal Year Ended March 31, 2004—Continued

Members of the Executive Council without responsibility for operating expenses and the Minister of Provincial Revenue, pursuant to Sections 5(2) and (3) of the *Balanced Budget and Ministerial Accountability Act*, and related regulations.

In addition to the financial accountability reporting under the Act, the following non-financial results are also required. They are taken from the annual public service plan reports of each Minister of State and are included following the Regulations to the Act. This Act permits service plan reports for some Ministers of State to be submitted by December 31, 2004. Service plan report results not available at the date of this publication will be published as an addendum on the website of the Ministry of Finance as soon as they are available. Until the actual results are known, the applicable ministerial holdback will be retained.

Expected Results	Results Achieved
Minister of State for Community Charter	
Community Charter	
• Develop and implement Community Charter municipal provisions, including publishing best practices and explanatory guides.	Yes
• Define the scope and develop the second phase of the Community Charter.	Yes
2010 Olympic Bid	
• When Vancouver is declared by the International Olympic Committee to be the host city,	
◦ Work with the industry, sport, community and ministry partners to prepare the following Olympics-related plans:	
▪ Business investment plan,	Yes
▪ Sports development plan,	Yes
▪ Health development plan, and	Yes
▪ Youth participation plan.	Yes
◦ Establish a new organization to replace the 2010 Olympic Bid Secretariat and work with partners to create an Organizing Committee of the Olympic Games.	Yes
Minister of State for Deregulation	
• A ten percent reduction of regulatory burden.	Yes
Minister of State for Early Childhood Development	
• Increase the number of public/private/community partnerships created to promote early childhood development initiatives to a total of four.	Yes
• Increase the number of Aboriginal communities with early childhood development programs to a total of 30.	Yes

Comparison of Expected and Actual Results Required by the *Balanced Budget and Ministerial Accountability Act* for the Fiscal Year Ended March 31, 2004—Continued

Members of the Executive Council without responsibility for operating expenses and the Minister of Provincial Revenue, pursuant to Sections 5(2) and (3) of the *Balanced Budget and Ministerial Accountability Act*, and related regulations.

Expected Results	Results Achieved
Minister of State for Intergovernmental Relations	
• Ensure government presents proposals to federal cabinet ministers to secure federal funding for the province under existing or new national programs in the areas of:	
• 2010 Olympic Games (when Vancouver Bid is successful),	Yes
• Kicking Horse Canyon,	Yes
• Richmond/Airport to Vancouver Rapid Transit,	Yes
• Canada/U.S. Border Improvements,	Yes
• Softwood Worker and Community Assistance, and	Yes
• Life Sciences Initiative.	Yes
• Reduce or eliminate duplication and overlap between the Government of British Columbia and the Government of Canada in 20% of the 47 areas identified in Duplication and Overlap Strategy developed in 2002/03.	Yes
• Complete an assessment of whether British Columbia receives a fair share of federal discretionary spending and pursue a strategy to achieve a more equitable distribution of federal spending and benefits for the province.	Yes
Minister of State for Intermediate, Long-term and Home Care	
• Increase by two percent the percentage of home and community care clients with high care needs living in their own home rather than in a facility.	Pending[1]
• Decrease by five percent the percentage of days spent by patients in hospitals after the need for hospital care has ended.	Pending[1]
Minister of State for Mental Health	
• Increase the proportion of mental health patients (aged 15 to 64) who receive community or physician follow-up within 30 days of being discharged from hospital.	Pending[1]
• Increase the proportion of mental health services (community, physician and acute care) received by mental health clients (aged 15 to 64) that are obtained in their own health authority.	Pending[1]

[1] Data used to measure the results will be available by December 31, 2004. Holdbacks will be retained until the actual results are known.

Comparison of Expected and Actual Results Required by the *Balanced Budget and Ministerial Accountability Act* for the Fiscal Year Ended March 31, 2004—Continued

Members of the Executive Council without responsibility for operating expenses and the Minister of Provincial Revenue, pursuant to Sections 5(2) and (3) of the *Balanced Budget and Ministerial Accountability Act*, and related regulations.

Expected Results	Results Achieved
Minister of Provincial Revenue	
• To earn $34 million in incremental (new) net revenue over the 2001/2002 base year from audit and revenue compliance related activity	Yes
Minister of State for Women's Equality	
• Make recommendations, including a new funding model, for the Provincial inventory of transition houses, safe homes and second stage housing.	Yes
• Implement the Safer Community Strategy.	Yes
• Implement a long-term child care strategy through:	
◦ Operational grants to support licensed child care spaces,	Yes
◦ A new capital grant program to increase or improve child care facilities, and	Yes
◦ A new program to increase the quality of licensed and licence-not-required family child care providers.	Yes

Non-financial results were not established for the 2003/04 fiscal year for the following Ministers of State designated January 26, 2004 due to the proximity to the end of of the fiscal year:

Minister of State for Forestry Operations

Minister of State for Immigration and Multicultural Services

Minister of State for Mental Health and Addiction Services

Minister of State for Mining

Minister of State for Resort Development

Minister of State for Women's and Seniors' Services

Ministerial Salary Holdback Repayment Results Under the *Balanced Budget and Ministerial Accountability Act* for the Fiscal Year Ended March 31, 2004

	Collective Fiscal Holdback Repayable	Annual Report Holdback Repayable	Total Holdback Repayable[1]
Minister of Provincial Revenue Pursuant to Section 5(2) of the Act	$	$	$
Minister of Provincial Revenue	3,900	3,900	7,800
Members of the Executive Council without Operating Expense Responsibilities Pursuant to Section 5(3) of the Act			
Minister of State for Community Charter	2,055	2,055	4,110
Minister of State for Deregulation	2,055	2,055	4,110
Minister of State for Early Childhood Development	2,500	2,500	5,000
Minister of State for Intergovernmental Relations	2,500	2,500	5,000
Minister of State for Intermediate, Long-term and Home Care	2,055	Pending[2]	2,055
Minister of State for Mental Health	2,055	Pending[2]	2,055
Minister of State for Women's Equality	2,055	2,055	4,110
Ministers of State designated January 26, 2004			
Minister of State for Forestry Operations	445	445	890
Minister of State for Immigration and Multicultural Services	287	288	575
Minister of State for Mental Health and Addiction Services	445	445	890
Minister of State for Mining	445	445	890
Minister of State for Resort Development	445	445	890
Minister of State for Women's and Seniors' Services	445	445	890

	Collective Fiscal Holdback Repayable	Individual Fiscal Holdback Repayable	Total Holdback Repayable[1]
Members of the Executive Council with Operating Expense Responsibilities Pursuant to Section 5(1) of the Act	$	$	$
Premier	4,500	4,500	9,000
Minister of Advanced Education	3,900	3,900	7,800
Minister of Agriculture, Food and Fisheries	3,878	3,879	7,757
Attorney General and Minister Responsible for Treaty Negotiations	3,900	3,900	7,800
Minister of Children and Family Development	3,868	3,868	7,736
Minister of Community, Aboriginal and Women's Services	3,900	3,900	7,800
Minister of Education	3,900	3,900	7,800
Minister of Energy and Mines	3,900	3,900	7,800
Minister of Finance	3,900	3,900	7,800
Minister of Forests	3,900	3,900	7,800
Minister of Health Planning	3,205	3,206	6,411
Minister of Health Services	3,900	3,900	7,800
Minister of Human Resources	3,900	3,900	7,800
Minister of Management Services	3,900	3,900	7,800
Minister of Public Safety and Solicitor General	3,900	3,900	7,800
Minister of Skills Development and Labour	3,900	3,900	7,800
Minister of Small Business and Economic Development	3,900	3,900	7,800
Minister of Sustainable Resource Management	3,900	3,900	7,800
Minister of Transportation	3,900	3,900	7,800
Minister of Water, Land and Air Protection	3,900	3,900	7,800

[1] Holdback amounts are reported on the accrual basis. Ministers may be in a position less than a year; therefore, holdback amounts vary.
[2] The *Balanced Budget and Ministerial Accountability Act* permits an extension of the deadline for this report to December 31, 2004.

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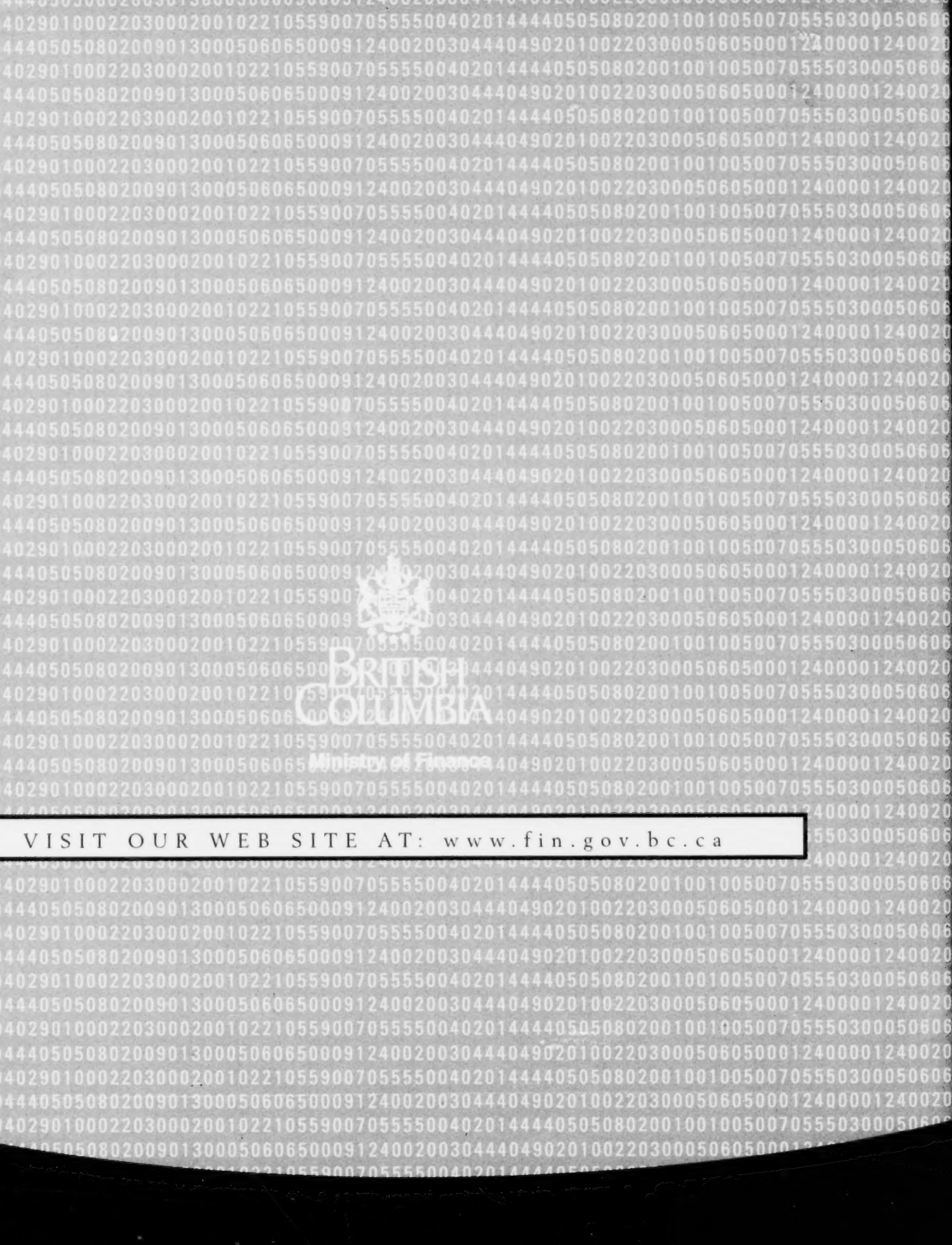

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